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**SUBSTITUTE SENATE BILL 5555**

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**State of Washington**

**52nd Legislature**

**1991 Regular Session**

**By** Senate Committee on Ways & Means (originally sponsored by Senators Owen, Conner, Snyder, Metcalf, Jesernig, Amondson, Sutherland, Patterson, Hansen, Bailey, Rasmussen, von Reichbauer, Johnson, Pelz, West, Talmadge, A. Smith, Williams, L. Kreidler, Rinehart, Newhouse, Stratton, Gaspard, McMullen, Moore, Madsen, Bauer, Wojahn, Matson, Roach and L. Smith).

Read first time March 11, 1991.

1       AN ACT Relating to economic and employment impact of timber harvest  
2 variation in Washington state; amending RCW 28B.15.740, 70.47.010,  
3 70.47.020, 70.47.060, 70.47.080, 43.210.030, 82.60.020, 82.62.010,  
4 43.168.020, 43.160.010, 43.160.020, and 43.160.076; reenacting and  
5 amending RCW 43.210.050; adding new sections to chapter 43.31 RCW;  
6 adding a new section to chapter 50.22 RCW; adding a new section to  
7 chapter 28B.15 RCW; adding new sections to chapter 43.210 RCW; adding  
8 new sections to chapter 43.131 RCW; adding new sections to chapter  
9 43.63A RCW; adding new sections to chapter 43.160 RCW; adding a new  
10 chapter to Title 50 RCW; creating new sections; repealing RCW  
11 43.131.325 and 43.131.326; providing an expiration date; and declaring  
12 an emergency.

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

14       NEW SECTION.   **Sec. 1.**       The legislature finds that:

1 (1) Cutbacks in allowable sales of old growth timber in Washington  
2 state pose a substantial threat to the region and the state with  
3 massive layoffs, loss of personal income, and declines in state  
4 revenues;

5 (2) The timber-impacted communities are of critical significance to  
6 the state because of their leading role in the overall economic well-  
7 being of the state and their importance to the quality of life to all  
8 residents of Washington, and that this region requires a special state  
9 effort to diversify the local economy;

10 (3) There are key opportunities to broaden the economic base in the  
11 timber-impacted communities including agriculture, high-technology,  
12 tourism, and regional exports; and

13 (4) A coordinated state, local, and private sector effort offers  
14 the greatest potential to promote economic diversification and to  
15 provide support for new projects within the region.

16 The legislature further finds that if a special state effort does  
17 not take place the decline in allowable timber sales may result in a  
18 loss of six thousand logging and milling jobs; two hundred million  
19 dollars in direct wages and benefits; twelve thousand indirect jobs;  
20 and three hundred million dollars in indirect wages and benefits.

21 It is the intent of the legislature to develop comprehensive  
22 programs to provide diversified economic development and promote job  
23 creation and employment opportunities for the citizens of the timber-  
24 impacted communities.

25 NEW SECTION. **Sec. 2.** For the purposes of sections 1 through  
26 10 of this act:

27 (1) "Department" means the department of trade and economic  
28 development;

29 (2) "Board" means the economic recovery coordination board;

1 (3) "Timber impact area" means a county or a city or town located  
2 in a county meeting two of the following three criteria for the most  
3 recent year such data is available: (a) Logging and lumber employment  
4 location quotient of 1.0 or more of the state average; (b) direct  
5 logging and lumber job loss of one hundred or more; and (c) annual  
6 unemployment rate of twenty percent above the state average.

7 NEW SECTION. **Sec. 3.** There is established the economic  
8 recovery coordination board. The board shall consist of one member from  
9 each economic development council in a timber impact area appointed by  
10 the governor, with representation from representatives of local  
11 businesses, labor organizations, local governments, visitor and  
12 convention bureaus, local educational institutions, local associate  
13 development organizations, the agribusiness community, and local ports.  
14 In making the appointments, the governor shall endeavor to ensure that  
15 the appointees have experience in local diversification efforts.  
16 Vacancies shall be filled in the same manner as the original  
17 appointment.

18 The board shall review and provide recommendations on proposals for  
19 the diversification of the timber-impacted areas presented to it by the  
20 department.

21 The board shall appoint members to local recovery advisory  
22 committees in each timber impact area. In making the appointments the  
23 board shall endeavor to recruit members of the community with expertise  
24 in areas needed to create a revitalized economy. The advisory  
25 committee shall assist the recovery board with review and coordination  
26 activities.

27 Members of the board and committees shall receive no compensation  
28 but shall be reimbursed for travel expenses under RCW 43.03.050 and  
29 43.03.060.

1        NEW SECTION.    **Sec. 4.**        The department of trade and economic  
2 development shall begin implementation of economic diversification  
3 programs.

4        In carrying out these programs, the department, in consultation  
5 with the economic recovery coordination board, shall determine which  
6 objectives are most likely to lead to economic recovery and  
7 diversification. Consideration shall be given to potential jobs and  
8 income benefits, generation of additional fiscal support, increased  
9 private sector participation, and market forces supporting the proposed  
10 objectives. The department shall further employ a project manager who  
11 will coordinate with the economic recovery board. The board shall  
12 consider such studies and governmental agencies which could support the  
13 priority goals determined under this section.

14        NEW SECTION.    **Sec. 5.**        The department shall designate a project  
15 manager to facilitate the department's activities within the timber-  
16 impacted regions. The manager's responsibilities shall include but not  
17 be limited to:

18        (1) Seeking to increase the use of existing state economic  
19 development programs in the timber-impacted regions;

20        (2) Helping to locate additional funds to be used for  
21 diversification and recovery activities;

22        (3) Assisting committees to oversee activities within the priority  
23 areas;

24        (4) Coordinating evaluation of state programs in the region;

25        (5) Seeking to increase the effectiveness of existing efforts to  
26 incubate new enterprises in the timber-impacted areas and to increase  
27 the resources devoted to the incubation of new enterprises;

28        (6) Facilitating a new technology and research base in the region  
29 for local businesses, including efforts to increase: The availability

1 and accessibility of venture capital in the timber-impacted areas,  
2 especially for the early stages of enterprise development and for the  
3 expansion of existing enterprises, the accessibility of legal  
4 expertise, especially in regard to licenses and patents, and the  
5 identification of and assistance to entrepreneurs with expertise in  
6 managing new product development; and

7 (7) Increasing the availability and coordination of resources  
8 devoted to the expansion, development, and modernization of enterprises  
9 in existing promising growth areas of the timber-impacted regional  
10 economy such as the industrial applications of advanced technology and  
11 recreational development.

12 NEW SECTION. **Sec. 6.** The department shall contract with local  
13 bodies to develop various programs to promote diversification, such as  
14 regional exporting, waterfront tourism, job retention, small business  
15 marketing and training, small business incubators, investment  
16 opportunities, and securing federal contracts. The department, after  
17 consultation with the board, shall establish guidelines for the  
18 awarding of contracts under this section.

19 NEW SECTION. **Sec. 7.** The department, in consultation with the  
20 board, shall:

21 (1) Gather, analyze, and disseminate information about the  
22 competitiveness of the wood products industry in this state and make  
23 that information available to the wood products industry, state  
24 government, and the general public.

25 (2) Encourage cooperation among wood products firms through the  
26 formation of business networks to develop solutions to technology and  
27 product development problems, acquire and disseminate marketing

1 information, promote and market wood products of this state, and  
2 address other common industry problems.

3 (3) Assist the department in the department's efforts to increase  
4 the competitiveness of the industry and increase the production of  
5 value-added products by providing grants for feasibility studies and  
6 product research and development. The grants under this subsection  
7 shall:

8 (a) Be of general benefit to the industry rather than intended to  
9 benefit a specific firm;

10 (b) Be for such activities as identifying options, assessing  
11 markets, evaluating business and financial risks, addressing production  
12 issues, and assessing new technologies; and

13 (c) Be less than thirty five thousand dollars unless seventy-five  
14 percent of the department authorizes up to fifty thousand dollars.

15 (4) Work with state agencies, wood products firms, wood products  
16 industry associations, and institutions of higher education in this  
17 state to assure close coordination of all efforts to improve the  
18 competitiveness of the wood products industry in this state.

19 (5) Report periodically to the governor, the legislature, the wood  
20 products industry, and the general public on the competitive position  
21 of the wood products industry in this state, and make such  
22 recommendations as the department determines appropriate for public or  
23 private actions needed to improve the competitiveness of the wood  
24 products industry in this state.

25 NEW SECTION. **Sec. 8.** (1) The department shall develop an  
26 implementation plan for a forest products development center to be  
27 located in Forks, Washington, as a model public/private manufacturing  
28 partnership. The center plan shall determine methods to:

1 (a) Improve the technology in the timber industry by improving  
2 production methods and equipment to become more competitive;

3 (b) Work with private industry to improve the infrastructure to  
4 finance the capital expenditures necessary for public facilities such  
5 as roads and utilities;

6 (c) Train new production workers to be more sophisticated  
7 production workers by offering training opportunities allowing workers  
8 to adapt to a changing workplace;

9 (d) Provide updated knowledge of the consumer and industry trends  
10 around the world to identify markets; and

11 (e) Serve as a model to demonstrate environmental compliance  
12 techniques allowing efficient, profitable production to be sustained at  
13 all times.

14 (2) This plan shall be submitted to the legislature by July 1,  
15 1992.

16 NEW SECTION. **Sec. 9.** The department, in consultation with the  
17 board, shall conduct long-range policy planning surveys to determine  
18 the best options and alternative economic programs for long-term  
19 development in the timber-impacted counties of the state of Washington.  
20 These surveys are to include:

21 (1) A survey of the feasibility of developing tele-commuting  
22 businesses;

23 (2) A growers' marketing cooperative for alternative forest  
24 products;

25 (3) Strengthening the business assistance center concept in the  
26 timber-impacted areas to insure expanding and new businesses will be  
27 able to have all inquiries answered at one governmental agency;

1 (4) A survey and recommendation by the department to develop small  
2 business relocation grants to encourage the influx of new business to  
3 the timber-impacted counties;

4 (5) Expansion of the Washington market place program including:  
5 The development of a wood products manufacturers network to encourage  
6 cooperative product marketing and expanded export assistance;

7 (6) The department and the board shall conduct a survey to  
8 determine the actual future employment needs and jobs skills in the  
9 timber-impacted areas.

10 The Washington state air transportation commission shall conduct a  
11 study of the possibility of locating an airport facility designed to  
12 relieve air traffic overflow from Seattle-Tacoma international airport  
13 in Grays Harbor county.

14 The commission shall consider airport facilities currently in use  
15 in Grays Harbor county, the property set aside at the uncompleted  
16 Satsop nuclear site, the distance from operating port facilities, the  
17 desires of the community, and linkage with the Interstate 5 corridor by  
18 rapid transit rail service.

19 NEW SECTION. **Sec. 10.** (1) Through an interagency agreement  
20 with the department, the employment security department shall provide  
21 enhanced retraining, support services, and job search assistance,  
22 including an out-of-area job search and relocation component, if  
23 needed, for dislocated workers in the timber-impacted areas. For the  
24 purpose of this section "dislocated workers" means workers in the  
25 timber-impacted areas who (a) have been terminated or laid off, or  
26 received a notice of termination or layoff from employment and are  
27 eligible for or have exhausted their entitlement to benefits under  
28 Title 50 RCW; (b) have been terminated as a result of any permanent  
29 plant closure; (c) are long-term unemployed and are unlikely to return



1 to employment in the individual's principal occupation or previous  
2 industry because of a diminishing demand for their skills in that  
3 occupation or industry; or (d) are farmers or other self-employed  
4 individuals who have been displaced due to economic conditions or  
5 natural disasters. Training and retraining assistance shall be  
6 designed to contribute to the diversification of the economy of the  
7 timber-impacted areas or to relieve economic dislocation and distress  
8 in the timber-impacted areas resulting from the sudden and severe loss  
9 of local sources of employment.

10 (2) The employment security department shall consult with and may  
11 subcontract with local educational institutions, local businesses,  
12 local labor organizations, local associate development organizations,  
13 local private industry councils, local social service organizations,  
14 and local governments in carrying out this program of training and  
15 services for dislocated workers in the timber-impacted areas.

16 (3) Training and retraining assistance provided under sections 1  
17 through 10 of this act should include but need not be limited to the  
18 following areas: Entrepreneurial development and training; short-term  
19 job creation; training in the incubation of new business enterprises  
20 and training at incubator facilities; agriculture, agricultural  
21 processing, and agricultural services; the industrial applications of  
22 advanced technology; recreational and tourism development; and training  
23 through the self-employment and enterprise development (SEED) program.  
24 The department of social and health services shall help families and  
25 workers make the transition through economic difficulties and provide  
26 workers with marketable skills. Funding shall be coordinated through  
27 the board which will establish a fund to provide child care assistance,  
28 mortgage assistance, and counseling which cannot be met through current  
29 programs.

1 (4) Such services shall be either direct or referral services to  
2 the unemployed, and should include, but need not be limited to: Credit  
3 counseling; social services including marital counseling; psychotherapy  
4 or psychological counseling; mortgage foreclosures and utilities  
5 problems counseling; drug and alcohol abuse services; and medical  
6 services.

7 (5) The employment security department shall coordinate the  
8 services provided in this section with all other services provided by  
9 the department and with the other economic recovery efforts undertaken  
10 by state and local government agencies on behalf of the timber-impacted  
11 areas.

12 (6) Subcontractors shall conduct outreach efforts to encourage the  
13 unemployed to seek assistance.

14 (7) The department shall make every effort to procure additional  
15 federal and other moneys for the efforts enumerated in this section.

16 NEW SECTION. **Sec. 11.** Unless the context clearly requires  
17 otherwise, the definitions in this section apply throughout sections 12  
18 through 16 of this act:

19 (1) "Department" means the employment security department.

20 (2) "Timber worker" means any person employed in industries within  
21 the standard industrial classification code numbers 8, 24, and 26.

22 (3) "Federal timber impact area" means any county meeting two of  
23 the following three criteria for the most recent year such data are  
24 available: (a) Logging and lumber employment location quotient of 1.0  
25 or more of the state average as established by the department, (b)  
26 direct logging and lumber job loss of one hundred or more, or (c)  
27 annual unemployment rate twenty percent above the state average.

1 (4) "Program" or "counter-cyclical program" means the program for  
2 dislocated timber workers administered by the employment security  
3 department in conjunction with the department of natural resources.

4 (5) "Enrollee" means any person enrolled in the counter-cyclical  
5 program.

6 NEW SECTION. **Sec. 12.** (1) The counter-cyclical program for  
7 dislocated timber workers is established in the department. The  
8 program shall provide forest-related employment and job retraining  
9 assistance to unemployed timber workers residing in federal timber  
10 impact areas. The department shall notify timber workers receiving  
11 unemployment benefits, or who have exhausted unemployment benefits of  
12 their eligibility for the program.

13 (2) A person is considered a dislocated timber worker and eligible  
14 to participate in this program:

15 (a) Upon exhaustion of unemployment insurance benefits received  
16 upon termination of employment from industries within the standard  
17 industrial classification code numbers 8, 24, and 26; or

18 (b) If currently unemployed, employed part time, or if employment  
19 has been terminated within one year previous to the effective date of  
20 this act.

21 (3) The department of natural resources shall employ candidates for  
22 the counter-cyclical program from a pool of eligible workers developed  
23 by the department.

24 NEW SECTION. **Sec. 13.** The department shall contract with the  
25 department of natural resources to provide employment opportunities for  
26 not less than two hundred eligible enrollees. Employment opportunities  
27 under the counter-cyclical program shall consist of activities that  
28 improve the value of state lands and waters managed by the department

1 of natural resources. These activities may include, but are not  
2 limited to, thinning and precommercial thinning, pruning, slash  
3 removal, reforestation, fire suppression, trail maintenance,  
4 maintenance of recreational facilities, dike repair, development and  
5 maintenance of tourist facilities, stream enhancement, including waters  
6 upstream or downstream as well as adjacent to state lands, water  
7 quality enhancement, irrigation repair, and the building of shellfish  
8 beds.

9 NEW SECTION. **Sec. 14.** Enrollees in the counter-cyclical  
10 program shall receive medical and dental benefits as provided under  
11 chapter 41.05 RCW, but are exempt from the provisions of chapter 41.06  
12 RCW. Compensation for the counter-cyclical program shall be at least  
13 nine dollars per hour of employment. Employees shall not work more  
14 than thirty-two hours each week in this program and must agree to  
15 participate in the career orientation program established in this  
16 chapter, under the department. Participation in the counter-cyclical  
17 program is limited to six months. Employment under the program shall  
18 not result in the displacement or partial displacement of currently  
19 employed workers. This includes, but is not limited to, state  
20 employees or currently or normally contracted service employees.

21 NEW SECTION. **Sec. 15.** The department shall develop a career  
22 orientation program for enrollees in the counter-cyclical program. The  
23 department shall provide at least eight hours of career counseling each  
24 week for enrollees in this program. The career orientation program  
25 shall include, but is not limited to, counseling on employment options  
26 and assistance in accessing retraining programs, and assistance in  
27 accessing social service programs.

1        NEW SECTION.    **Sec. 16.**        The department of natural resources  
2 shall provide compensation for enrollees in this program as provided  
3 under section 14 of this act.

4        NEW SECTION.    **Sec. 17.**    A new section is added to chapter 50.22 RCW  
5 to read as follows:

6        A program to provide training and extended benefits for unemployed  
7 forest products workers is established. The program shall begin on the  
8 third Sunday after the effective date of this section. The program  
9 shall provide that:

10        (1) To be eligible for the program, a person must:

11        (a) Be certified by his or her employer to be permanently or  
12 indefinitely unemployed due to lack of work caused by a curtailment of  
13 timber harvesting or a shortage of raw materials resulting from  
14 compliance with environmental laws or rules; and

15        (b) Have one thousand three hundred sixty hours of employment in  
16 the forest products industry in the first eight of the last nine  
17 completed calendar quarters prior to his or her application for  
18 unemployment compensation benefits.

19        (2) The department shall notify potentially eligible persons who  
20 apply for unemployment compensation benefits of the provisions of this  
21 section.

22        (3) Eligible persons shall develop individual training plans and  
23 submit the plans to the commissioner for approval.

24        (4) If a training plan is approved by the commissioner within the  
25 first sixteen weeks of a person's unemployment compensation claim or  
26 within sixteen weeks of the effective date of this act, whichever is  
27 later, the person shall be eligible for extended benefits under  
28 subsection (5) of this section and for tuition waivers under section 18  
29 of this act.

1 (5) Persons eligible under subsections (1) and (4) of this section  
2 who are either enrolled in a training course that has been approved by  
3 the commissioner or have applied to and are waiting for admission into  
4 an approved training course are eligible for extended benefits for an  
5 additional twenty-six weeks. Total unemployment compensation benefits  
6 may not exceed fifty-two times the eligible person's weekly benefit  
7 amount reduced by other state or federal unemployment benefits  
8 available for the same weeks of unemployment.

9 (6) Benefits paid pursuant to this section shall be paid under  
10 the same terms and conditions as extended benefits and shall not  
11 be charged to the experience rating accounts of individual  
12 employers.

13 (7) The commissioner shall adopt rules as necessary to implement  
14 this section.

15 NEW SECTION. **Sec. 18.** A new section is added to chapter 28B.15  
16 RCW to read as follows:

17 Unemployed forest workers eligible for benefits under section 17 of  
18 this act who comply with all requirements for admittance shall be  
19 admitted to and may attend any public four-year institution of higher  
20 education, community college, or vocational-technical institution that  
21 has space available without paying tuition and service and activity  
22 fees for courses approved by the commissioner of employment security  
23 under section 17 of this act. A tuition waiver is limited to a maximum  
24 of six academic quarters, four semesters, or the equivalent of two  
25 academic years of full-time study.

26 This section shall expire on June 30, 1996.

27 **Sec. 19.** RCW 28B.15.740 and 1989 c 340 s 2 are each amended to  
28 read as follows:

1 (1) The boards of trustees or regents of each of the state's  
2 regional universities, The Evergreen State College, or state  
3 universities, and the various community colleges, consistent with  
4 regulations and procedures established by the state board for community  
5 college education, may waive, in whole or in part, tuition and services  
6 and activities fees subject to the limitations set forth in subsections  
7 (2) and (3) of this section.

8 (2) Except as provided in subsection (3) of this section, the total  
9 dollar amount of tuition and fee waivers awarded by any state  
10 university, regional university, or state college, shall not exceed  
11 four percent, and for the community colleges considered as a whole,  
12 such amount shall not exceed three percent of an amount determined by  
13 estimating the total collections from tuition and services and  
14 activities fees had no such waivers been made and deducting the portion  
15 of that total amount which is attributable to the difference between  
16 resident and nonresident fees: PROVIDED, That at least three-fourths  
17 of the dollars waived shall be for needy students who are eligible for  
18 resident tuition and fee rates pursuant to RCW 28B.15.012 through  
19 28B.15.015: PROVIDED FURTHER, That the remainder of the dollars  
20 waived, not to exceed one-fourth of the total, may be applied to other  
21 students at the discretion of the board of trustees or regents, except  
22 on the basis of participation in intercollegiate athletic programs:  
23 PROVIDED FURTHER, That the waivers for undergraduate and graduate  
24 students of foreign nations under RCW 28B.15.556 and the waivers for  
25 unemployed forest industry workers under section 18 of this act are not  
26 subject to the limitation under this section.

27 (3) In addition to the tuition and fee waivers provided in  
28 subsection (2) of this section and subject to the provisions of RCW  
29 28B.15.455 and 28B.15.460, a total dollar amount of tuition and fee  
30 waivers awarded by any state university, regional university, or state

1 college, not to exceed one percent, as calculated in subsection (2) of  
2 this section, may be used for the purpose of achieving or maintaining  
3 gender equity in intercollegiate athletic programs. At any institution  
4 that has an underrepresented gender class in intercollegiate athletics,  
5 any such waivers shall be awarded:

6 (a) First, to members of the underrepresented gender class who  
7 participate in intercollegiate athletics, where such waivers result in  
8 saved or displaced money that can be used for athletic programs for the  
9 underrepresented gender class. Such saved or displaced money shall be  
10 used for programs for the underrepresented gender class; and

11 (b) Second, (i) to nonmembers of the underrepresented gender class  
12 who participate in intercollegiate athletics, where such waivers result  
13 in saved or displaced money that can be used for athletic programs for  
14 members of the underrepresented gender class. Such saved or displaced  
15 money shall be used for programs for the underrepresented gender class;  
16 or (ii) to members of the underrepresented gender class who participate  
17 in intercollegiate athletics, where such waivers do not result in any  
18 saved or displaced money that can be used for athletic programs for  
19 members of the underrepresented gender class.

20 **Sec. 20.** RCW 70.47.010 and 1987 1st ex.s. c 5 s 3 are each amended  
21 to read as follows:

22 (1) The legislature finds that:

23 (a) A significant percentage of the population of this state does  
24 not have reasonably available insurance or other coverage of the costs  
25 of necessary basic health care services;

26 (b) This lack of basic health care coverage is detrimental to the  
27 health of the individuals lacking coverage and to the public welfare,  
28 and results in substantial expenditures for emergency and remedial



1 health care, often at the expense of health care providers, health care  
2 facilities, and all purchasers of health care, including the state; and

3 (c) The use of managed health care systems has significant  
4 potential to reduce the growth of health care costs incurred by the  
5 people of this state generally, and by low-income pregnant women who  
6 are an especially vulnerable population, along with their children, and  
7 who need greater access to managed health care.

8 (2) The purpose of this chapter is to provide necessary basic  
9 health care services in an appropriate setting to working persons and  
10 others who lack coverage, at a cost to these persons that does not  
11 create barriers to the utilization of necessary health care services.  
12 To that end, this chapter establishes a program to be made available to  
13 those residents under sixty-five years of age not otherwise eligible  
14 for medicare with gross family income at or below two hundred percent  
15 of the federal poverty guidelines or who have been dislocated from  
16 their jobs as a result of changes in the local economy where they work,  
17 who share in the cost of receiving basic health care services from a  
18 managed health care system.

19 (3) It is not the intent of this chapter to provide health care  
20 services for those persons who are presently covered through private  
21 employer-based health plans, nor to replace employer-based health  
22 plans. Further, it is the intent of the legislature to expand,  
23 wherever possible, the availability of private health care coverage and  
24 to discourage the decline of employer-based coverage.

25 (4) The program authorized under this chapter is strictly limited  
26 in respect to the total number of individuals who may be allowed to  
27 participate and the specific areas within the state where it may be  
28 established. All such restrictions or limitations shall remain in full  
29 force and effect until quantifiable evidence based upon the actual  
30 operation of the program, including detailed cost benefit analysis, has

1 been presented to the legislature and the legislature, by specific act  
2 at that time, may then modify such limitations.

3 **Sec. 21.** RCW 70.47.020 and 1987 1st ex.s. c 5 s 4 are each amended  
4 to read as follows:

5 As used in this chapter:

6 (1) "Washington basic health plan" or "plan" means the system of  
7 enrollment and payment on a prepaid capitated basis for basic health  
8 care services, administered by the plan administrator through  
9 participating managed health care systems, created by this chapter.

10 (2) "Administrator" means the Washington basic health plan  
11 administrator.

12 (3) "Managed health care system" means any health care  
13 organization, including health care providers, insurers, health care  
14 service contractors, health maintenance organizations, or any  
15 combination thereof, that provides directly or by contract basic health  
16 care services, as defined by the administrator and rendered by duly  
17 licensed providers, on a prepaid capitated basis to a defined patient  
18 population enrolled in the plan and in the managed health care system.

19 (4) "Enrollee" means an individual, or an individual plus the  
20 individual's spouse and/or dependent children, all under the age of  
21 sixty-five and not otherwise eligible for medicare, who resides in an  
22 area of the state served by a managed health care system participating  
23 in the plan, whose gross family income at the time of enrollment does  
24 not exceed twice the federal poverty level as adjusted for family size  
25 and determined annually by the federal department of health and human  
26 services, or who has been dislocated from his or her job as a result of  
27 changes in the local economy where he or she works, who chooses to  
28 obtain basic health care coverage from a particular managed health care  
29 system in return for periodic payments to the plan.

1 (5) "Subsidy" means the difference between the amount of periodic  
2 payment the administrator makes, from funds appropriated from the basic  
3 health plan trust account, to a managed health care system on behalf of  
4 an enrollee and the amount determined to be the enrollee's  
5 responsibility under RCW 70.47.060(2).

6 (6) "Premium" means a periodic payment, based upon gross family  
7 income and determined under RCW 70.47.060(2), which an enrollee makes  
8 to the plan as consideration for enrollment in the plan.

9 (7) "Rate" means the per capita amount, negotiated by the  
10 administrator with and paid to a participating managed health care  
11 system, that is based upon the enrollment of enrollees in the plan and  
12 in that system.

13 (8) "Dislocated workers" means workers in timber-impacted areas who  
14 (a) have been terminated or laid off or received a notice of  
15 termination or layoff from employment and are eligible for or have  
16 exhausted their entitlement to benefits under Title 50 RCW; (b) have  
17 been terminated as a result of any permanent plant closure; or (c) are  
18 long-term unemployed and are unlikely to return to employment in a  
19 timber-related occupation because of a diminishing demand for their  
20 skills in that occupation.

21 **Sec. 22.** RCW 70.47.060 and 1987 1st ex.s. c 5 s 8 are each amended  
22 to read as follows:

23 The administrator has the following powers and duties:

24 (1) To design and from time to time revise a schedule of covered  
25 basic health care services, including physician services, inpatient and  
26 outpatient hospital services, and other services that may be necessary  
27 for basic health care, which enrollees in any participating managed  
28 health care system under the Washington basic health plan shall be  
29 entitled to receive in return for premium payments to the plan. The

1 schedule of services shall emphasize proven preventive and primary  
2 health care, shall include all services necessary for prenatal,  
3 postnatal, and well-child care, and shall include a separate schedule  
4 of basic health care services for children, eighteen years of age and  
5 younger, for those enrollees who choose to secure basic coverage  
6 through the plan only for their dependent children. In designing and  
7 revising the schedule of services, the administrator shall consider the  
8 guidelines for assessing health services under the mandated benefits  
9 act of 1984, RCW 48.42.080, and such other factors as the administrator  
10 deems appropriate.

11 (2) To design and implement a structure of periodic premiums due  
12 the administrator from enrollees that is based upon gross family  
13 income, giving appropriate consideration to family size as well as the  
14 ages of all family members. The enrollment of children shall not  
15 require the enrollment of their parent or parents who are eligible for  
16 the plan.

17 (3) To design and implement a structure of nominal copayments due  
18 a managed health care system from enrollees. The structure shall  
19 discourage inappropriate enrollee utilization of health care services,  
20 but shall not be so costly to enrollees as to constitute a barrier to  
21 appropriate utilization of necessary health care services.

22 (4) To design and implement, in concert with a sufficient number of  
23 potential providers in a discrete area, an enrollee financial  
24 participation structure, separate from that otherwise established under  
25 this chapter, that has the following characteristics:

26 (a) Nominal premiums that are based upon ability to pay, but not  
27 set at a level that would discourage enrollment;

28 (b) A modified fee-for-services payment schedule for providers;

29 (c) Coinsurance rates that are established based on specific  
30 service and procedure costs and the enrollee's ability to pay for the

1 care. However, coinsurance rates for families with incomes below one  
2 hundred twenty percent of the federal poverty level shall be nominal.  
3 No coinsurance shall be required for specific proven prevention  
4 programs, such as prenatal care. The coinsurance rate levels shall not  
5 have a measurable negative effect upon the enrollee's health status;  
6 and

7 (d) A case management system that fosters a provider-enrollee  
8 relationship whereby, in an effort to control cost, maintain or improve  
9 the health status of the enrollee, and maximize patient involvement in  
10 her or his health care decision-making process, every effort is made by  
11 the provider to inform the enrollee of the cost of the specific  
12 services and procedures and related health benefits.

13 The potential financial liability of the plan to any such providers  
14 shall not exceed in the aggregate an amount greater than that which  
15 might otherwise have been incurred by the plan on the basis of the  
16 number of enrollees multiplied by the average of the prepaid capitated  
17 rates negotiated with participating managed health care systems under  
18 RCW 70.47.100 and reduced by any sums charged enrollees on the basis of  
19 the coinsurance rates that are established under this subsection.

20 (5) To limit enrollment of persons who qualify for subsidies so as  
21 to prevent an overexpenditure of appropriations for such purposes.  
22 Whenever the administrator finds that there is danger of such an  
23 overexpenditure, the administrator shall close enrollment until the  
24 administrator finds the danger no longer exists.

25 (6) To adopt a schedule for the orderly development of the delivery  
26 of services and availability of the plan to residents of the state,  
27 subject to the limitations contained in RCW 70.47.080.

28 In the selection of any area of the state for the initial operation  
29 of the plan, the administrator shall take into account the levels and  
30 rates of unemployment in different areas of the state, the need to

1 provide basic health care coverage to a population reasonably  
2 representative of the portion of the state's population that lacks such  
3 coverage, and the need for geographic, demographic, and economic  
4 diversity.

5 Before July 1, 1988, the administrator shall endeavor to secure  
6 participation contracts with managed health care systems in discrete  
7 geographic areas within at least five congressional districts.

8 (7) To solicit and accept applications from managed health care  
9 systems, as defined in this chapter, for inclusion as eligible basic  
10 health care providers under the plan. The administrator shall endeavor  
11 to assure that covered basic health care services are available to any  
12 enrollee of the plan from among a selection of two or more  
13 participating managed health care systems. In adopting any rules or  
14 procedures applicable to managed health care systems and in its  
15 dealings with such systems, the administrator shall consider and make  
16 suitable allowance for the need for health care services and the  
17 differences in local availability of health care resources, along with  
18 other resources, within and among the several areas of the state.

19 (8) To receive periodic premiums from enrollees, employers, and the  
20 department of labor and industries, deposit them in the basic health  
21 plan operating account, keep records of enrollee status, and authorize  
22 periodic payments to managed health care systems on the basis of the  
23 number of enrollees participating in the respective managed health care  
24 systems.

25 (9) To accept applications from individuals residing in areas  
26 served by the plan, on behalf of themselves and their spouses and  
27 dependent children, for enrollment in the Washington basic health plan,  
28 to establish appropriate minimum-enrollment periods for enrollees as  
29 may be necessary, and to determine, upon application and at least  
30 annually thereafter, or at the request of any enrollee, eligibility due

1 to current gross family income for sliding scale premiums or status as  
2 a dislocated worker. An enrollee who remains current in payment of the  
3 sliding-scale premium, as determined under subsection (2) of this  
4 section, and whose gross family income has risen above twice the  
5 federal poverty level or whose status as a dislocated worker has  
6 changed, may continue enrollment unless and until the enrollee's gross  
7 family income has remained above (~~twice~~) four times the poverty level  
8 for six consecutive months, by making payment at the unsubsidized rate  
9 required for the managed health care system in which he or she may be  
10 enrolled. No subsidy may be paid with respect to any enrollee whose  
11 current gross family income exceeds twice the federal poverty level,  
12 who is a dislocated worker, or, subject to RCW 70.47.110, who is a  
13 recipient of medical assistance or medical care services under chapter  
14 74.09 RCW. If a number of enrollees drop their enrollment for no  
15 apparent good cause, the administrator may establish appropriate rules  
16 or requirements that are applicable to such individuals before they  
17 will be allowed to re-enroll in the plan.

18 (10) To require that prospective enrollees who may be eligible for  
19 categorically needy medical coverage under RCW 74.09.510 or whose  
20 income does not exceed the medically needy income level under RCW  
21 74.09.700 apply for such coverage, but the administrator shall enroll  
22 the individuals in the plan pending the determination of eligibility  
23 under chapter 74.09 RCW.

24 (11) To determine the rate to be paid to each participating managed  
25 health care system in return for the provision of covered basic health  
26 care services to enrollees in the system. Although the schedule of  
27 covered basic health care services will be the same for similar  
28 enrollees, the rates negotiated with participating managed health care  
29 systems may vary among the systems. In negotiating rates with  
30 participating systems, the administrator shall consider the

1 characteristics of the populations served by the respective systems,  
2 economic circumstances of the local area, the need to conserve the  
3 resources of the basic health plan trust account, and other factors the  
4 administrator finds relevant.

5 (12) To monitor the provision of covered services to enrollees by  
6 participating managed health care systems in order to assure enrollee  
7 access to good quality basic health care, to require periodic data  
8 reports concerning the utilization of health care services rendered to  
9 enrollees in order to provide adequate information for evaluation, and  
10 to inspect the books and records of participating managed health care  
11 systems to assure compliance with the purposes of this chapter. In  
12 requiring reports from participating managed health care systems,  
13 including data on services rendered enrollees, the administrator shall  
14 endeavor to minimize costs, both to the managed health care systems and  
15 to the administrator. The administrator shall coordinate any such  
16 reporting requirements with other state agencies, such as the insurance  
17 commissioner and the ((~~hospital commission~~)) department of health, to  
18 minimize duplication of effort.

19 (13) To monitor the access that state residents have to adequate  
20 and necessary health care services, determine the extent of any unmet  
21 needs for such services or lack of access that may exist from time to  
22 time, and make such reports and recommendations to the legislature as  
23 the administrator deems appropriate.

24 (14) To evaluate the effects this chapter has on private employer-  
25 based health care coverage and to take appropriate measures consistent  
26 with state and federal statutes that will discourage the reduction of  
27 such coverage in the state.

28 (15) To develop a program of proven preventive health measures and  
29 to integrate it into the plan wherever possible and consistent with  
30 this chapter.



1 (16) To provide, consistent with available resources, technical  
2 assistance for rural health activities that endeavor to develop needed  
3 health care services in rural parts of the state.

4 **Sec. 23.** RCW 70.47.080 and 1987 1st ex.s. c 5 s 10 are each  
5 amended to read as follows:

6 On and after July 1, 1988, the administrator shall accept for  
7 enrollment applicants eligible to receive covered basic health care  
8 services from the respective managed health care systems which are then  
9 participating in the plan. The administrator shall not allow the total  
10 enrollment of those eligible for subsidies to exceed thirty thousand.

11 Thereafter, total enrollment shall not exceed the number  
12 established by the legislature in any act appropriating funds to the  
13 plan.

14 Before July 1, 1988, the administrator shall endeavor to secure  
15 participation contracts from managed health care systems in discrete  
16 geographic areas within at least five congressional districts of the  
17 state and in such manner as to allow residents of both urban and rural  
18 areas access to enrollment in the plan. The administrator shall make  
19 a special effort to secure agreements with health care providers in one  
20 such area that meets the requirements set forth in RCW 70.47.060(4).

21 The administrator shall at all times closely monitor growth  
22 patterns of enrollment so as not to exceed that consistent with the  
23 orderly development of the plan as a whole, in any area of the state or  
24 in any participating managed health care system.

25 This section shall not apply to those areas where there are  
26 enrollees designated as dislocated workers.

27 NEW SECTION. **Sec. 24.** (1) The Pacific Northwest export  
28 assistance project is hereby created for the following purposes:

1 (a) To assist small to medium-sized manufacturers relatively new to  
2 exporting with gross annual revenues less than twenty-five million  
3 dollars with comprehensive services for designing and managing  
4 introductory export strategies and in securing financing and credit  
5 guarantees for export transactions;

6 (b) To provide, in cooperation with the export promotion services  
7 offered by the department of trade and economic development and the  
8 Washington state department of agriculture, information and assistance  
9 to businesses with gross annual revenues less than twenty-five million  
10 dollars about the methods and procedures of structuring company  
11 specific export financing and credit guarantee alternatives; or

12 (c) To provide information to their clients about opportunities in  
13 organizing cooperative export networks, foreign sales corporations, or  
14 export trading companies under the United States export trading company  
15 act of 1982, for the purpose of increasing their comparative sales  
16 volume and ability to export their products to foreign markets.

17 (2) The Pacific Northwest export assistance project is a separate  
18 branch of the small business export finance assistance center for  
19 accounting and auditing purposes.

20 (3) The Pacific Northwest export assistance project is subject to  
21 the authority of the small business export finance assistance center,  
22 under RCW 43.210.020, and shall be governed and managed by the board of  
23 directors, under RCW 43.210.030.

24 NEW SECTION. **Sec. 25.** (1) The small business export finance  
25 assistance center has the following powers and duties when exercising  
26 its authority under section 24(3) of this act:

27 (a) Solicit and accept grants, contributions, and any other  
28 financial assistance from the federal government, federal agencies, and  
29 any other public or private sources to carry out its purposes;

1 (b) Offer comprehensive export assistance and counseling to  
2 manufacturers relatively new to exporting with gross annual revenues  
3 less than twenty-five million dollars. As close to ninety percent as  
4 possible of each year's new cadre of clients must have gross annual  
5 revenues of less than five million dollars at the time of their initial  
6 contract. Counseling may include, but not be limited to, helping  
7 clients obtain debt or equity financing, in constructing competent  
8 proposals, and assessing federal guarantee and/or insurance programs  
9 that underwrite exporting risk; assisting clients in evaluating their  
10 international marketplace by developing marketing materials, assessing  
11 and selecting targeted markets; assisting firms in finding foreign  
12 customers by conducting foreign market research, evaluating  
13 distribution systems, selecting and assisting in identification of  
14 and/or negotiations with foreign agents, distributors, retailers, and  
15 by promoting products through attending trade shows abroad; advising  
16 companies on their products, guarantees, and after sales service  
17 requirements necessary to compete effectively in a foreign market;  
18 designing a competitive strategy for a firm's products in targeted  
19 markets and methods of minimizing their commercial and political risks;  
20 securing for clients specific assistance as needed, outside the  
21 center's field of expertise, by referrals to other public or private  
22 organizations. The Pacific Northwest export assistance project shall  
23 focus its efforts on facilitating export transactions for its clients,  
24 and in doing so, provide such technical services as are appropriate to  
25 accomplish its mission either with staff or outside consultants;

26 (c) Sign three-year counseling agreements with its clients that  
27 provide for termination if adequate funding for the Pacific Northwest  
28 export assistance project is not provided in future appropriations.  
29 Counseling agreements shall not be renewed unless there are compelling  
30 reasons to do so, and under no circumstances shall they be renewed for

1 more than two additional years. A counseling agreement may not be  
2 renewed more than once. The counseling agreements shall have mutual  
3 performance clauses, that if not met, will be grounds for releasing  
4 each party, without penalty, from the provisions of the agreement.  
5 Clients shall be immediately released from a counseling agreement with  
6 the Pacific Northwest export assistance project, without penalty, if a  
7 client wishes to switch to a private export management service and  
8 produces a valid contract signed with a private export management  
9 service, or if the president of the small business export finance  
10 assistance center determines there are compelling reasons to release a  
11 client from the provisions of the marketing agreement;

12 (d) May contract with private or public international trade  
13 education services to provide Pacific Northwest export assistance  
14 project clients with training in international business. The president  
15 and board of directors shall decide the amount of funding allocated for  
16 educational services based on the availability of resources in the  
17 operating budget of the budget of the Pacific Northwest export  
18 assistance project;

19 (e) May contract with the Washington state international trade fair  
20 to provide services for Pacific Northwest export assistance project  
21 clients to participate in one trade show annually. The president and  
22 board of directors shall decide the amount of funding allocated for  
23 trade fair assistance based on the availability of resources in the  
24 operating budget of the Pacific Northwest export assistance project;

25 (f) Provide biennial assessments of its performance. The Pacific  
26 Northwest export assistance project is an innovative program for the  
27 promotion of international trade. As such, the project personnel shall  
28 work with the department of revenue and employment security department  
29 to confidentially track the performance of the project's clients in  
30 increasing tax revenues to the state, increasing gross sales revenues

1 and volume of products destined to foreign clients, and in creating new  
2 jobs for Washington citizens. A biennial report shall be prepared for  
3 the governor and legislature to assess the costs and benefits to the  
4 state from creating the project. The president of the small business  
5 export finance assistance center shall design an appropriate  
6 methodology for biennial assessments in consultation with the director  
7 of the department of trade and economic development and the director of  
8 the Washington state department of agriculture. The department of  
9 revenue and the employment security department shall provide data  
10 necessary to complete this biennial evaluation, if the data being  
11 requested is available from existing data bases. Client-specific  
12 information generated from the files of the department of revenue and  
13 the employment security department for the purposes of this evaluation  
14 shall be kept strictly confidential by each department and the small  
15 business export finance assistance center;

16 (g) Take whatever action may be necessary to accomplish the  
17 purposes set forth in sections 24 through 27 of this act; and

18 (h) Limit its assistance to promoting the exportation of value-  
19 added manufactured goods. The project shall not provide counseling or  
20 assistance, under any circumstances, for the importation of foreign  
21 made goods into the United States.

22 (2) The Pacific Northwest export assistance project shall not,  
23 under any circumstances, assume ownership or take title to the goods of  
24 its clients.

25 (3) The Pacific Northwest export assistance project may not use any  
26 Washington state funds which come from the public treasury of the state  
27 of Washington to make loans or to make any payment under a loan  
28 guarantee agreement. Under no circumstances may the center use any  
29 funds received under RCW 43.210.050 to make or assist in making any  
30 loan or to pay or assist in paying any amount under a loan guarantee

1 agreement. Debts of the center shall be center debts only and may be  
2 satisfied only from the resources of the center. The state of  
3 Washington shall not in any way be liable for such debts.

4 (4) The Pacific Northwest export assistance project shall make  
5 every effort to seek nonstate funds to supplement its operations.

6 (5) The Pacific Northwest export assistance project shall take  
7 whatever steps are necessary to provide its services, if requested, to  
8 the states of Oregon, Idaho, Montana, Alaska, and the Canadian  
9 provinces of British Columbia and Alberta. Interstate services shall  
10 not be provided by the Pacific Northwest export assistance project  
11 during its first biennium of operation. The provision of services may  
12 be temporary and subject to the payment of fees, or each state may  
13 request permanent services contingent upon a level of permanent funding  
14 adequate for services provided. Temporary services and fees may be  
15 negotiated by the small business export finance assistance center's  
16 president subject to approval of the board of directors. The president  
17 of the small business export finance assistance center may enter into  
18 negotiations with neighboring states to contract for delivery of the  
19 project's services. Final contracts for providing the project's  
20 counseling and services outside of the state of Washington on a  
21 permanent basis shall be subject to approval of the governor,  
22 appropriate legislative oversight committees, and the small business  
23 export finance assistance center's board of directors.

24 (6) The small business export finance assistance center may receive  
25 such gifts, grants, and endowments from public or private sources as  
26 may be made from time to time, in trust or otherwise, for the use and  
27 benefit of the purposes of the Pacific Northwest export assistance  
28 project and expend the same or any income therefrom according to the  
29 terms of the gifts, grants, or endowments.

1 (7) The president of the small business export finance assistance  
2 center, in consultation with the board of directors, may use the  
3 following formula in determining the number of clients that can be  
4 reasonably served by the Pacific Northwest export assistance project  
5 relative to its appropriation. Divide the amount appropriated for  
6 administration of the Pacific Northwest export assistance project by  
7 the marginal cost of adding each additional Pacific Northwest export  
8 assistance project client. For the purposes of this calculation, and  
9 only for the first biennium of operation, the biennial marginal cost of  
10 adding each additional Pacific Northwest export assistance project  
11 client shall be fifty-seven thousand ninety-five dollars. The biennial  
12 marginal cost of adding each additional client after the first biennium  
13 of operation shall be established from the actual operating experience  
14 of the Pacific Northwest export assistance project.

15 (8) All receipts from the Pacific Northwest export assistance  
16 project shall be deposited into the general fund.

17 NEW SECTION. **Sec. 26.** The department of trade and economic  
18 development shall adopt rules under chapter 34.05 RCW as necessary to  
19 carry out the purposes of sections 24 through 27 of this act.

20 NEW SECTION. **Sec. 27.** The small business export finance  
21 assistance center fund is created in the custody of the state  
22 treasurer. Expenditures from the fund may be used only for the  
23 purposes of funding the services of the small business export finance  
24 assistance center and its projects under this chapter. Only the  
25 director of the department of trade and economic development or the  
26 director's designee may authorize expenditures from the fund. The  
27 director of the department of trade and economic development shall not  
28 withhold funds appropriated for the administration of the small

1 business export finance assistance center and its projects, if the  
2 small business export finance assistance center complies with the  
3 provisions of its contract under RCW 43.210.050 and section 24 of this  
4 act. Funding appropriated by the state of Washington shall not be used  
5 to provide services to other states or provinces. The fund is subject  
6 to allotment procedures under chapter 43.88 RCW, but no appropriation  
7 is required for expenditures.

8 **Sec. 28.** RCW 43.210.030 and 1985 c 231 s 3 are each amended to  
9 read as follows:

10 The small business export finance assistance center and its  
11 branches shall be governed and managed by a board of ~~((seventeen))~~  
12 nineteen directors appointed by the governor and confirmed by the  
13 senate. The directors shall serve terms of six years except that two  
14 of the original directors shall serve for two years and two of the  
15 original directors shall serve for four years. The directors may  
16 provide for the payment of their expenses. The directors shall include  
17 a representative of a not-for-profit corporation formed for the purpose  
18 of facilitating economic development, at least two representatives of  
19 state financial institutions engaged in the financing of export  
20 transactions, a representative of a port district, and a representative  
21 of organized labor. Of the remaining board members, there shall be ~~((a~~  
22 ~~representative of the governor,))~~ one representative of business from  
23 the area west of Puget Sound, one representative of business from the  
24 area east of Puget Sound and west of the Cascade range, one  
25 representative of business from the area east of the Cascade range and  
26 west of the Columbia river, ~~((and))~~ one representative of business from  
27 the area east of the Columbia river, the director of the department of  
28 trade and economic development, and the director of the department of  
29 agriculture. One of the directors shall be a representative of the



1 public selected from the area in the state west of the Cascade mountain  
2 range and one director shall be a representative of the public selected  
3 from that area of the state east of the Cascade mountain range. One  
4 director shall be a representative of the public at large. The  
5 directors shall be broadly representative of geographic areas of the  
6 state, and the representatives of businesses shall represent at least  
7 four different industries in different sized businesses as follows:  
8 (a) One representative of a company employing fewer than one hundred  
9 persons; (b) one representative of a company employing between one  
10 hundred and five hundred persons; ~~((and))~~ (c) ~~((two))~~ one  
11 representative~~((s))~~ of companies employing more than five hundred  
12 persons; (d) one representative from an export management company; and  
13 (e) one representative from an agricultural or food processing company.  
14 Any vacancies on the board due to the expiration of a term or for any  
15 other reason shall be filled by appointment by the governor for the  
16 unexpired term.

17 **Sec. 29.** RCW 43.210.050 and 1985 c 466 s 64 and 1985 c 231 s 5 are  
18 each reenacted and amended to read as follows:

19 The small business export finance assistance center formed under  
20 RCW 43.210.020 and 43.210.030 ~~((is eligible to receive consideration~~  
21 ~~for))~~ shall enter into a contract under this chapter ~~((from the))~~ with  
22 the department of trade and economic development or its statutory  
23 successor. The contract shall require the center to provide export  
24 assistance services, ~~((may not have a duration of longer than two~~  
25 years,) consistent with sections 24 through 27 of this act, shall have  
26 a duration of two years, and shall require the center to aggressively  
27 seek to fund its continued operation from nonstate funds. The contract  
28 shall also require the center to report ~~((at least twice))~~ annually to  
29 the department on its success in obtaining nonstate funding. Upon

1 expiration of the contract, any provisions within the contract  
2 applicable to the Pacific Northwest export assistance project shall be  
3 automatically renewed without change provided the legislature  
4 appropriates funds for administration of the small business export  
5 assistance center and the Pacific Northwest export assistance project.  
6 The provisions of the contract related to the Pacific Northwest export  
7 assistance project may be changed at any time if the director of the  
8 department of trade and economic development or the president of the  
9 small business export finance assistance center present compelling  
10 reasons supporting the need for a contract change to the board of  
11 directors and a majority of the board of directors agrees to the  
12 changes. The department of agriculture shall be included in the  
13 contracting negotiations with the department of trade and economic  
14 development and the small business export finance assistance center  
15 when the Pacific Northwest export assistance project provides export  
16 services to industrial sectors within the administrative domain of the  
17 Washington state department of agriculture. The department of trade  
18 and economic development, the small business export finance assistance  
19 center, and, if appropriate, the department of agriculture, shall  
20 report annually, as one group, to the appropriate legislative oversight  
21 committees on the progress of the Pacific Northwest export assistance  
22 project.

23 NEW SECTION. Sec. 30. The following acts or parts of acts are  
24 each repealed:

25 (1) RCW 43.131.325 and 1985 c 231 s 10; and

26 (2) RCW 43.131.326 and 1985 c 231 s 11.

27 NEW SECTION. Sec. 31. A new section is added to chapter 43.131  
28 RCW to read as follows:

1       The Pacific Northwest export assistance project shall be terminated  
2 on June 30, 1996, as provided in section 32 of this act.

3       NEW SECTION.   **Sec. 32.**   A new section is added to chapter 43.131  
4 RCW to read as follows:

5       The following acts or parts of acts, as now existing or hereafter  
6 amended, are each repealed, effective June 30, 1997:

- 7       (1) Section 24 of this act;
- 8       (2) Section 25 of this act;
- 9       (3) Section 26 of this act; and
- 10      (4) Section 27 of this act.

11      **Sec. 33.**   RCW 82.60.020 and 1988 c 42 s 16 are each amended to read  
12 as follows:

13      Unless the context clearly requires otherwise, the definitions in  
14 this section apply throughout this chapter.

15      (1) "Applicant" means a person applying for a tax deferral under  
16 this chapter.

17      (2) "Department" means the department of revenue.

18      (3) "Eligible area" means: (a) A county in which the average level  
19 of unemployment for the three years before the year in which an  
20 application is filed under this chapter exceeds the average state  
21 unemployment for those years by twenty percent; or (b) a metropolitan  
22 statistical area, as defined by the office of federal statistical  
23 policy and standards, United States department of commerce, in which  
24 the average level of unemployment for the calendar year immediately  
25 preceding the year in which an application is filed under this chapter  
26 exceeds the average state unemployment for such calendar year by twenty  
27 percent. Applications under this subsection (3)(b) shall be filed by

1 April 30, 1989. However, counties eligible under section 2 of this act  
2 may file an application by July 1, 1993.

3 (4)(a) "Eligible investment project" means that portion of an  
4 investment project which:

5 (i) Is directly utilized to create at least one new full-time  
6 qualified employment position for each three hundred thousand dollars  
7 of investment on which a deferral is requested; and

8 (ii) Either initiates a new operation, or expands or diversifies a  
9 current operation by expanding or renovating an existing building with  
10 costs in excess of twenty-five percent of the true and fair value of  
11 the plant complex prior to improvement; or

12 (iii) Acquires machinery and equipment to be used for either  
13 manufacturing or research and development if the machinery and  
14 equipment is housed in a new leased structure: PROVIDED, That the  
15 lessor/owner of the structure is not eligible for a deferral unless the  
16 underlying ownership of the buildings, machinery, and equipment vests  
17 exclusively in the same person.

18 (b) "Eligible investment project" does not include any portion of  
19 an investment project undertaken by a light and power business as  
20 defined in RCW 82.16.010(5) or investment projects which have already  
21 received deferrals under this chapter.

22 (5) "Investment project" means an investment in qualified buildings  
23 and qualified machinery and equipment, including labor and services  
24 rendered in the planning, installation, and construction of the  
25 project.

26 (6) "Manufacturing" means all activities of a commercial or  
27 industrial nature wherein labor or skill is applied, by hand or  
28 machinery, to materials so that as a result thereof a new, different,  
29 or useful substance or article of tangible personal property is  
30 produced for sale or commercial or industrial use and shall include the

1 production or fabrication of specially made or custom made articles.  
2 "Manufacturing" also includes computer programming, the production of  
3 computer software, and other computer-related services, and the  
4 activities performed by research and development laboratories and  
5 commercial testing laboratories.

6 (7) "Person" has the meaning given in RCW 82.04.030.

7 (8) "Qualified buildings" means new structures used for  
8 manufacturing and research and development activities, including plant  
9 offices and warehouses or other facilities for the storage of raw  
10 material or finished goods if such facilities are an essential or an  
11 integral part of a factory, mill, plant, or laboratory used for  
12 manufacturing or research and development. If a building is used  
13 partly for manufacturing or research and development and partly for  
14 other purposes, the applicable tax deferral shall be determined by  
15 apportionment of the costs of construction under rules adopted by the  
16 department.

17 (9) "Qualified employment position" means a permanent full-time  
18 employee employed in the eligible investment project during the entire  
19 tax year.

20 (10) "Qualified machinery and equipment" means all new industrial  
21 and research fixtures, equipment, and support facilities that are an  
22 integral and necessary part of a manufacturing or research and  
23 development operation. "Qualified machinery and equipment" includes:  
24 Computers; software; data processing equipment; laboratory equipment;  
25 manufacturing components such as belts, pulleys, shafts, and moving  
26 parts; molds, tools, and dies; operating structures; and all equipment  
27 used to control or operate the machinery.

28 (11) "Recipient" means a person receiving a tax deferral under this  
29 chapter.

1 (12) "Research and development" means the development, refinement,  
2 testing, marketing, and commercialization of a product, service, or  
3 process before commercial sales have begun. As used in this  
4 subsection, "commercial sales" excludes sales of prototypes or sales  
5 for market testing if the total gross receipts from such sales of the  
6 product, service, or process do not exceed one million dollars.

7 **Sec. 34.** RCW 82.62.010 and 1988 c 42 s 17 are each amended to read  
8 as follows:

9 Unless the context clearly requires otherwise, the definitions in  
10 this section apply throughout this chapter.

11 (1) "Applicant" means a person applying for a tax credit under this  
12 chapter.

13 (2) "Department" means the department of revenue.

14 (3) "Eligible area" means: (a) A county in which the average level  
15 of unemployment for the three years before the year in which an  
16 application is filed under this chapter exceeds the average state  
17 unemployment for those years by twenty percent; or (b) a metropolitan  
18 statistical area, as defined by the office of federal statistical  
19 policy and standards, United States department of commerce, in which  
20 the average level of unemployment for the calendar year immediately  
21 preceding the year in which an application is filed under this chapter  
22 exceeds the average state unemployment for such calendar year by twenty  
23 percent. Applications under this subsection (3)(b) shall be filed by  
24 April 30, 1989. However, counties eligible under section 2 of this act  
25 may file an application by July 1, 1993.

26 (4)(a) "Eligible business project" means manufacturing or research  
27 and development activities which are conducted by an applicant in an  
28 eligible area at a specific facility: PROVIDED, That the applicant's  
29 average full-time qualified employment positions at the specific

1 facility will be at least fifteen percent greater in the year for which  
2 the credit is being sought than the applicant's average full-time  
3 qualified employment positions at the same facility in the immediately  
4 preceding year.

5 (b) "Eligible business project" does not include any portion of a  
6 business project undertaken by a light and power business as defined in  
7 RCW 82.16.010(5) or that portion of a business project creating  
8 qualified full-time employment positions outside an eligible area or  
9 those recipients of a sales tax deferral under chapter 82.61 RCW.

10 (5) "Manufacturing" means all activities of a commercial or  
11 industrial nature wherein labor or skill is applied, by hand or  
12 machinery, to materials so that as a result thereof a new, different,  
13 or useful substance or article of tangible personal property is  
14 produced for sale or commercial or industrial use and shall include the  
15 production or fabrication of specially made or custom made articles.  
16 "Manufacturing" also includes computer programming, the production of  
17 computer software, and other computer-related services, and the  
18 activities performed by research and development laboratories and  
19 commercial testing laboratories.

20 (6) "Person" has the meaning given in RCW 82.04.030.

21 (7) "Qualified employment position" means a permanent full-time  
22 employee employed in the eligible business project during the entire  
23 tax year.

24 (8) "Tax year" means the calendar year in which taxes are due.

25 (9) "Recipient" means a person receiving tax credits under this  
26 chapter.

27 (10) "Research and development" means the development, refinement,  
28 testing, marketing, and commercialization of a product, service, or  
29 process before commercial sales have begun. As used in this  
30 subsection, "commercial sales" excludes sales of prototypes or sales

1 for market testing if the total gross receipts from such sales of the  
2 product, service, or process do not exceed one million dollars.

3 **Sec. 35.** RCW 43.168.020 and 1988 c 42 s 18 are each amended to  
4 read as follows:

5 Unless the context clearly requires otherwise, the definitions in  
6 this section apply throughout this chapter.

7 (1) "Committee" means the Washington state development loan fund  
8 committee.

9 (2) "Department" means the department of community development.

10 (3) "Director" means the director of the department of community  
11 development.

12 (4) "Distressed area" means: (a) A county which has an  
13 unemployment rate which is twenty percent above the state average for  
14 the immediately previous three years; (b) a metropolitan statistical  
15 area, as defined by the office of federal statistical policy and  
16 standards, United States department of commerce, in which the average  
17 level of unemployment for the calendar year immediately preceding the  
18 year in which an application is filed under this chapter exceeds the  
19 average state unemployment for such calendar year by twenty percent.  
20 Applications under this subsection (4)(b) shall be filed by April 30,  
21 1989; ~~((or))~~ (c) an area within a county, which area: (i) Is composed  
22 of contiguous census tracts; (ii) has a minimum population of five  
23 thousand persons; (iii) has at least seventy percent of its families  
24 and unrelated individuals with incomes below eighty percent of the  
25 county's median income for families and unrelated individuals; and (iv)  
26 has an unemployment rate which is at least forty percent higher than  
27 the county's unemployment rate; or (d) a county designated as a timber  
28 impact area under section 2 of this act if an application is filed by  
29 July 1, 1993. For purposes of this definition, "families and unrelated



1 individuals" has the same meaning that is ascribed to that term by the  
2 federal department of housing and urban development in its regulations  
3 authorizing action grants for economic development and neighborhood  
4 revitalization projects.

5 (5) "Fund" means the Washington state development loan fund.

6 (6) "Local development organization" means a nonprofit organization  
7 which is organized to operate within an area, demonstrates a commitment  
8 to a long-standing effort for an economic development program, and  
9 makes a demonstrable effort to assist in the employment of unemployed  
10 or underemployed residents in an area.

11 (7) "Project" means the establishment of a new or expanded business  
12 in an area which when completed will provide employment opportunities.  
13 "Project" also means the retention of an existing business in an area  
14 which when completed will provide employment opportunities.

15 NEW SECTION. **Sec. 36.** Unless the context clearly requires  
16 otherwise, the definitions in this section apply throughout sections 37  
17 through 40 of this act.

18 (1) "Timber-dependent community" means a community in which thirty  
19 percent or more of the work force is employed in the timber industry.

20 (2) "Permanent residence" means the residence in which an  
21 individual resides on the effective date of this act on a full-time  
22 basis, including detached, semi-detached, or townhouse units; modular  
23 homes; condominium units or manufactured housing units which meet the  
24 program standards.

25 (3) "Program" means the emergency mortgage assistance program.

26 NEW SECTION. **Sec. 37.** The department shall establish and  
27 administer the emergency mortgage assistance program under the  
28 following general guidelines:

1 (1) A loan provided under the program shall not exceed an amount  
2 equal to twenty-four months of mortgage payments.

3 (2) The maximum loan amount allowed under the program shall not  
4 exceed twenty thousand dollars.

5 (3) Loans shall be made to applicants who meet specific income  
6 guidelines established by the department.

7 (4) Loans shall be granted on a first-come, first-served basis.

8 (5) Loan payments shall be made directly to the mortgage lender by  
9 the department.

10 (6) Repayment of loans provided under the program must not take  
11 more than twenty years.

12 (7) The department may provide for emergency short-term loans.

13 NEW SECTION. **Sec. 38.** The goals of the program are to:

14 (1) Provide up to twenty-four months of emergency assistance loans  
15 to households who, because of their loss of employment in the timber  
16 industry for a period of six consecutive months, are unable to make  
17 current mortgage payments on their permanent residence and are likely  
18 to face imminent home mortgage or other home loan foreclosure  
19 proceedings;

20 (2) Prevent the dislocation of individuals and families from their  
21 permanent residences and their communities; and

22 (3) Maintain the economic and social stability of timber-dependent  
23 communities.

24 NEW SECTION. **Sec. 39.** To become eligible to receive emergency  
25 mortgage assistance loans provided for under sections 36 through 40 of  
26 this act, an applicant must:

1 (1) Be unable to keep payments on his or her home mortgage current,  
2 due to a temporary loss of employment in the timber industry, and shall  
3 be at significant risk of forfeiting the title to his or her home;

4 (2) Have his or her permanent residence located in a timber-  
5 dependent community and be the owner of an equitable interest in such  
6 residence;

7 (3) Intend to reside in the home being financed;

8 (4) Be actively seeking new employment or be enrolled in a training  
9 program approved by the director; and

10 (5) With the assistance of the applicant's lender or other  
11 financial adviser, submit an application by June 30, 1996, to the  
12 department requesting assistance from the program.

13 NEW SECTION. **Sec. 40.** The department shall carry out the  
14 following duties:

15 (1) Administer and implement the program;

16 (2) Develop and adopt the necessary rules for implementation of the  
17 program;

18 (3) Establish the interest rate for repayment of loans at two  
19 percent below the market rate;

20 (4) Work with lending institutions in timber-dependent communities  
21 to assure that all eligible homeowners are informed about the program;

22 (5) Utilize federal and state programs that complement or  
23 facilitate carrying out the program;

24 (6) Evaluate the program effectiveness;

25 (7) Submit a report to the senate commerce and labor committee by  
26 January 31, 1992.

27 **Sec. 41.** RCW 43.160.010 and 1989 c 431 s 61 are each amended to  
28 read as follows:

1           (1) The legislature finds that it is the public policy of the state  
2 of Washington to direct financial resources toward the fostering of  
3 economic development through the stimulation of investment and job  
4 opportunities and the retention of sustainable existing employment for  
5 the general welfare of the inhabitants of the state. Reducing  
6 unemployment and reducing the time citizens remain jobless is important  
7 for the economic welfare of the state. A valuable means of fostering  
8 economic development is the construction of public facilities which  
9 contribute to the stability and growth of the state's economic base.  
10 Strengthening the economic base through issuance of industrial  
11 development bonds, whether single or umbrella, further serves to reduce  
12 unemployment. Consolidating issues of industrial development bonds  
13 when feasible to reduce costs additionally advances the state's purpose  
14 to improve economic vitality. Expenditures made for these purposes as  
15 authorized in this chapter are declared to be in the public interest,  
16 and constitute a proper use of public funds. A community economic  
17 revitalization board is needed which shall aid the development of  
18 economic opportunities. The general objectives of the board should  
19 include:

20           (a) Strengthening the economies of areas of the state which have  
21 experienced or are expected to experience chronically high unemployment  
22 rates or below average growth in their economies;

23           (b) Encouraging the diversification of the economies of the state  
24 and regions within the state in order to provide greater seasonal and  
25 cyclical stability of income and employment;

26           (c) Encouraging wider access to financial resources for both large  
27 and small industrial development projects;

28           (d) Encouraging new economic development or expansions to maximize  
29 employment;

1 (e) Encouraging the retention of viable existing firms and  
2 employment; and

3 (f) Providing incentives for expansion of employment opportunities  
4 for groups of state residents that have been less successful relative  
5 to other groups in efforts to gain permanent employment.

6 (2) The legislature also finds that the state's economic  
7 development efforts can be enhanced by, in certain instances, providing  
8 funds to improve state highways in the vicinity of new industries  
9 considering locating in this state or existing industries that are  
10 considering significant expansion.

11 (a) The legislature finds it desirable to provide a process whereby  
12 the need for diverse public works improvements necessitated by planned  
13 economic development can be addressed in a timely fashion and with  
14 coordination among all responsible governmental entities.

15 (b) It is the intent of the legislature to create an economic  
16 development account within the motor vehicle fund from which  
17 expenditures can be made by the department of transportation for state  
18 highway improvements necessitated by planned economic development. All  
19 such improvements must first be approved by the state transportation  
20 commission and the community economic revitalization board in  
21 accordance with the procedures established by RCW 43.160.074 and  
22 47.01.280. It is further the intent of the legislature that such  
23 improvements not jeopardize any other planned highway construction  
24 projects. The improvements are intended to be of limited size and  
25 cost, and to include such items as additional turn lanes,  
26 signalization, illumination, and safety improvements.

27 (3) The legislature also finds that the state's economic  
28 development efforts can be enhanced by providing funds to improve  
29 markets for those recyclable materials representing a large fraction of  
30 the waste stream. The legislature finds that public facilities which

1 result in private construction of processing or remanufacturing  
2 facilities for recyclable materials are eligible for consideration from  
3 the board.

4 (4) The legislature finds that sharing economic growth state-wide  
5 is important to the welfare of the state. Distressed areas and timber-  
6 dependent counties do not share in the economic vitality of the Puget  
7 Sound region. Infrastructure is one of several ingredients that are  
8 critical for economic development. Distressed areas and timber-  
9 dependent counties generally lack the infrastructure necessary to  
10 diversify and revitalize their economies. It is, therefore, the intent  
11 of the legislature to increase the availability of funds to help  
12 provide infrastructure to distressed areas and timber-dependent  
13 counties.

14 **Sec. 42.** RCW 43.160.020 and 1985 c 466 s 58 are each amended to  
15 read as follows:

16 Unless the context clearly requires otherwise, the definitions in  
17 this section apply throughout this chapter.

18 (1) "Board" means the community economic revitalization board.

19 (2) "Bond" means any bond, note, debenture, interim certificate, or  
20 other evidence of financial indebtedness issued by the board pursuant  
21 to this chapter.

22 (3) "Department" means the department of trade and economic  
23 development or its successor with respect to the powers granted by this  
24 chapter.

25 (4) "Financial institution" means any bank, savings and loan  
26 association, credit union, development credit corporation, insurance  
27 company, investment company, trust company, savings institution, or  
28 other financial institution approved by the board and maintaining an  
29 office in the state.

1 (5) "Industrial development facilities" means "industrial  
2 development facilities" as defined in RCW 39.84.020.

3 (6) "Industrial development revenue bonds" means tax-exempt revenue  
4 bonds used to fund industrial development facilities.

5 (7) "Local government" means any port district, county, city, or  
6 town.

7 (8) "Sponsor" means any of the following entities which customarily  
8 provide service or otherwise aid in industrial or other financing and  
9 are approved as a sponsor by the board: A bank, trust company, savings  
10 bank, investment bank, national banking association, savings and loan  
11 association, building and loan association, credit union, insurance  
12 company, or any other financial institution, governmental agency, or  
13 holding company of any entity specified in this subsection.

14 (9) "Umbrella bonds" means industrial development revenue bonds  
15 from which the proceeds are loaned, transferred, or otherwise made  
16 available to two or more users under this chapter.

17 (10) "User" means one or more persons acting as lessee, purchaser,  
18 mortgagor, or borrower under a financing document and receiving or  
19 applying to receive revenues from bonds issued under this chapter.

20 (11) "Federal timber impact area" means a county or a city or town  
21 located within a county meeting two of the following three criteria for  
22 the most recent year such data is available: (a) A lumber and wood  
23 products employment location quotient at or above the state average,  
24 (b) a direct lumber and wood products job loss of one hundred or more,  
25 or (c) an annual unemployment rate twenty percent above the state  
26 average.

27 NEW SECTION. Sec. 43. A new section is added to chapter 43.160  
28 RCW to read as follows:

1 (1) The economic development account is created within the public  
2 facilities construction loan revolving fund under RCW 43.160.080.  
3 Moneys in the account may be spent only after appropriation.  
4 Expenditures from the account may be used only for the purposes of RCW  
5 43.160.010(4) and this section. The account is subject to allotment  
6 procedures under chapter 43.88 RCW.

7 (2) Applications under this section for assistance from the  
8 economic development account are subject to all of the applicable  
9 criteria set forth under this chapter, as well as procedures and  
10 criteria established by the board, except as otherwise provided.

11 (3) Eligible applicants under this section are limited to political  
12 subdivisions of the state in federal timber impact areas that  
13 demonstrate, to the satisfaction of the board, the local economy's  
14 dependence on the forest products industry.

15 (4) Applicants must demonstrate that their request is part of an  
16 economic development plan consistent with applicable state planning  
17 requirements. Industrial projects must be approved by the local  
18 government and the associate development organization. Applicants must  
19 demonstrate that small scale tourism projects have been approved by the  
20 local government and are part of a regional tourism plan approved by  
21 the local and regional tourism organizations.

22 (5) Publicly owned projects may be financed under this section upon  
23 proof by the applicant that the public project is a necessary component  
24 of, or constitutes in whole, a small scale tourism project.

25 (6) Applications must demonstrate local match and participation.  
26 Such match may include: Land donation, other public or private funds  
27 or both, or other means of local commitment to the project.

28 (7) Board financing for feasibility studies shall not exceed  
29 twenty-five thousand dollars per study. Board funds for feasibility



1 studies may be provided as a grant and require a dollar for dollar  
2 match with up to one-half in-kind match allowed.

3 (8) Board financing for small scale tourism projects shall not  
4 exceed two hundred fifty thousand dollars. Other public facility  
5 projects under this section shall not exceed five hundred thousand  
6 dollars. Loans with flexible terms and conditions to meet the needs of  
7 the applicants shall be provided. Grants may also be authorized, but  
8 only when, and to the extent that, a loan is not reasonably possible,  
9 given the limited resources of the political subdivision.

10 (9) The board shall develop guidelines for allowable local match  
11 and feasibility studies.

12 (10) Applications under this section need not demonstrate evidence  
13 that specific private development or expansion is ready to occur or  
14 will occur if funds are provided.

15 NEW SECTION. **Sec. 44.** A new section is added to chapter 43.160  
16 RCW to read as follows:

17 The board shall establish guidelines for making grants and loans to  
18 ensure that the requirements of this chapter are complied with. The  
19 guidelines shall include:

20 (1) A process to equitably compare and evaluate applications from  
21 competing communities.

22 (2) Criteria to ensure that approved projects will have a high  
23 probability of success and are likely to provide long-term economic  
24 benefits to the community. The criteria shall include: (a) A minimum  
25 amount of local participation, determined by the board per application,  
26 to verify community support for the project; (b) an analysis that  
27 establishes the project is feasible using standard economic principles;  
28 and (c) an explanation from the applicant regarding how the project is  
29 consistent with the communities', economic strategy and goals.

1 (3) A method of evaluating the impact of the loans or grants on the  
2 economy of the community and whether the loans or grants achieved their  
3 purpose.

4 **Sec. 45.** RCW 43.160.076 and 1985 c 446 s 6 are each amended to  
5 read as follows:

6 (1) Except as authorized to the contrary under subsection (2) of  
7 this section, from all funds available to the board for loans and  
8 grants, the board shall spend at least (~~twenty~~) fifty percent for  
9 grants and loans for projects in distressed counties or federal timber  
10 impact areas. For purposes of this section, the term "distressed  
11 counties" includes any county, in which the average level of  
12 unemployment for the three years before the year in which an  
13 application for a loan or grant is filed, exceeds the average state  
14 employment for those years by twenty percent or federal timber impact  
15 areas.

16 (2) If at any time during the last six months of a biennium the  
17 board finds that the actual and anticipated applications for qualified  
18 projects in distressed counties or federal timber impact areas are  
19 clearly insufficient to use up the (~~twenty~~) fifty percent allocation,  
20 then the board shall estimate the amount of the insufficiency and  
21 during the remainder of the biennium may use that amount of the  
22 allocation for loans and grants for projects not located in distressed  
23 counties or federal timber impact areas.

24 NEW SECTION. **Sec. 46.** (1) For the period beginning July 1,  
25 1991, and ending June 30, 1993, in those areas designated by the  
26 department of community development as timber impact areas under  
27 section 2 of this act, the public works board may award low-interest or

1 interest-free loans to local governments for construction of new public  
2 works facilities that stimulate economic growth or diversification.

3 (2) For the purposes of this section and section 47 of this act,  
4 "public facilities" means bridge, road and street, domestic water,  
5 sanitary sewer, and storm sewer systems.

6 (3) The loans may have a deferred payment of up to five years but  
7 shall be repaid within twenty years. The community economic  
8 revitalization board may require other terms and conditions and may  
9 charge such rates of interest on its loans as it deems appropriate to  
10 carry out the purposes of this section. Repayments shall be made to  
11 the public works assistance account.

12 (4) The board may make such loans irrespective of the annual loan  
13 cycle and reporting required in RCW 43.155.070.

14 NEW SECTION. **Sec. 47.** (1) As authorized by section 46 of this  
15 act, the board shall establish criteria for awarding loans to local  
16 governments including, but not limited to, the following:

17 (a) If a county or city, the local government must be imposing the  
18 tax authorized by chapter 82.46 RCW at a rate of at least one-quarter  
19 of one percent;

20 (b) The local government must have in place a capital improvement  
21 plan meeting standards established by the board and an economic  
22 development plan meeting standards established by the department;

23 (c) The local economy must have experienced or be about to  
24 experience employment losses due to the timber economy;

25 (d) The proposed project must provide an opportunity to create or  
26 retain jobs within the local economy. Priority may be given to those  
27 projects that provide an opportunity to retain or create jobs for the  
28 pool of local workers affected by the timber economy;

1 (e) The local government must provide reasonable assurances of its  
2 ability to repay the debt; and

3 (f) The local government must meet any additional guidelines and  
4 criteria established by the board for awarding loan funds.

5 (2) Existing debt or other financial obligations of the local  
6 government shall not be refinanced under this section and section 46 of  
7 this act.

8 (3) The board shall award loans only to those projects that meet  
9 the criteria and will fulfill the purpose of this section and section  
10 46 of this act. Any funds not obligated at the close of the biennium  
11 shall be returned to the public works assistance account.

12 NEW SECTION. **Sec. 48.** The board shall provide to the office of  
13 financial management and the legislative fiscal committees a report by  
14 January 15, 1994, on the loans awarded through the biennium ending June  
15 30, 1993.

16 NEW SECTION. **Sec. 49.** To the extent that funds are  
17 specifically appropriated therefor, the state board for community  
18 college education shall provide training and retraining in timber-  
19 dependent communities as follows:

20 (1) Disbursement of funds to individual community colleges for  
21 supplemental slots in cases where enrollment demand exceeds allocation;

22 (2) Pilot projects for innovative approaches to literacy and  
23 employment training;

24 (3) Personnel and equipment for cranberry industry research;

25 (4) Grays Harbor Community College shall establish a program to  
26 train displaced timber workers to fill positions as safety training and  
27 vessel inspectors. They shall contract with those organizations deemed  
28 appropriate to carry out this program;

1 (5) Agricultural development, diversification, marketing, and  
2 processing programs in timber-impacted areas under sections 1 through  
3 10 of this act. The department of trade and economic development shall  
4 contract with local organizations, institutions, or agencies to:

5 (a) Seek to increase the utilization of existing federal, state,  
6 and local programs for agricultural development, diversification,  
7 marketing, and processing in the timber-impacted regions;

8 (b) Seek to increase the coordination and effectiveness of existing  
9 federal, state, and local programs for agricultural development,  
10 diversification, marketing, and processing in the timber-impacted  
11 areas; and

12 (c) Undertake efforts to promote and further the existing strengths  
13 of the timber-impacted areas in the value-added program. To accomplish  
14 this the department shall provide a targeted industry strategy to  
15 increase the amount of value added to each board foot of timber  
16 harvested. The department shall provide technical assistance, plant-  
17 specific feasibility studies, additional industrial extension and  
18 outreach efforts, plus market development.

19 No contract may be entered into under this section until the  
20 department has consulted with the board.

21 For the purpose of this section, enrollment restrictions shall not  
22 apply in the community colleges in timber-impacted communities.

23 NEW SECTION. **Sec. 50.** To the extent that funds are  
24 specifically appropriated therefor, the department of community  
25 development shall develop a community assistance program to enable  
26 communities to build local capacity for sustainable economic  
27 development efforts. The focus of this effort is to provide resources  
28 and technical assistance to local community leaders to carry out  
29 locally determined economic development projects.

1        NEW SECTION.    **Sec. 51.**        To the extent that funds are  
2 specifically appropriated therefor, the employment security department  
3 shall establish and maintain a job service message center for displaced  
4 workers without phone service. The voice-mail service shall allow  
5 twenty-four hour access to phone messages from employers for job  
6 prospects and from case managers who provide essential employment and  
7 support services.

8        NEW SECTION.    **Sec. 52.**        To the extent that funds are  
9 specifically appropriated therefor, the department of community  
10 development shall enhance the two reemployment centers in timber-  
11 dependent communities in order to continue providing referral services,  
12 counseling, and support.

13        NEW SECTION.    **Sec. 53.**        To the extent that funds are  
14 specifically appropriated therefor, the department of natural resources  
15 shall establish a research center for natural resources on the Olympic  
16 Peninsula. The center shall conduct research for forest resources and  
17 marine resources. The center shall be located at Grays Harbor  
18 Community College.

19        NEW SECTION.    **Sec. 54.**        If specific funding for the purposes of  
20 sections 3 through 10 of this act, referencing sections 3 through 10 of  
21 this act by bill and section number, is not provided by June 30, 1991,  
22 in the omnibus appropriations act, sections 3 through 10 of this act  
23 shall be null and void.

24        NEW SECTION.    **Sec. 55.**        If specific funding for the purposes of  
25 sections 11 through 16 of this act, referencing sections 11 through 16  
26 of this act by bill and section number, is not provided by June 30,

1 1991, in the omnibus appropriations act, sections 11 through 16 of this  
2 act shall be null and void.

3 NEW SECTION. **Sec. 56.** If specific funding for the purposes of  
4 section 17 of this act, referencing section 17 of this act by bill and  
5 section number, is not provided by June 30, 1991, in the omnibus  
6 appropriations act, section 17 of this act shall be null and void.

7 NEW SECTION. **Sec. 57.** If specific funding for the purposes of  
8 sections 20 through 23 of this act, referencing sections 20 through 23  
9 of this act by bill and section number, is not provided by June 30,  
10 1991, in the omnibus appropriations act, sections 20 through 23 of this  
11 act shall be null and void.

12 NEW SECTION. **Sec. 58.** If specific funding for the purposes of  
13 sections 24 through 32 of this act, referencing sections 24 through 32  
14 of this act by bill and section number, is not provided by June 30,  
15 1991, in the omnibus appropriations act, sections 24 through 32 of this  
16 act shall be null and void.

17 NEW SECTION. **Sec. 59.** If specific funding for the purposes of  
18 sections 36 through 40 of this act, referencing sections 36 through 40  
19 of this act by bill and section number, is not provided by June 30,  
20 1991, in the omnibus appropriations act, sections 36 through 40 of this  
21 act shall be null and void.

22 NEW SECTION. **Sec. 60.** If specific funding for the purposes of  
23 sections 41 through 45 of this act, referencing sections 41 through 45  
24 of this act by bill and section number, is not provided by June 30,

1 1991, in the omnibus appropriations act, sections 41 through 45 of this  
2 act shall be null and void.

3 NEW SECTION. **Sec. 61.** If specific funding for the purposes of  
4 sections 46 through 48 of this act, referencing sections 46 through 48  
5 of this act by bill and section number, is not provided by June 30,  
6 1991, in the omnibus appropriations act, sections 46 through 48 of this  
7 act shall be null and void.

8 NEW SECTION. **Sec. 62.** (1) Sections 1 through 10 of this act  
9 are each added to chapter 43.31 RCW.

10 (2) Sections 11 through 16 of this act shall constitute a new  
11 chapter in Title 50 RCW.

12 (3) Sections 24 through 27 of this act are each added to chapter  
13 43.210 RCW.

14 (4) Sections 36 through 40 of this act are each added to chapter  
15 43.63A RCW.

16 NEW SECTION. **Sec. 63.** Sections 46 through 48 of this act  
17 expire on June 30, 1994.

18 NEW SECTION. **Sec. 64.** Sections 18, 19, 33 through 35, 49  
19 through 51, and 54 of this act are necessary for the immediate  
20 preservation of the public peace, health, or safety, or support of the  
21 state government and its existing public institutions, and shall take  
22 effect immediately.